

How is the Value of the Development Rights Determined?

An independent certified real estate appraiser will be retained by the Fayette County Rural Land Management Board, Inc. to complete an appraisal of the development rights. The development rights value will be the difference between the current unrestricted value of the tract(s) and the value as restricted by a Conservation Easement at the time of appraisal. Upon completion of the appraisal, the land owner will be contacted by the Board with an offer for purchase of the development rights.

Can the Farmland be Developed in the future?

Once the development rights are sold, the property may not be developed for non-agricultural uses, unless the parcel being developed was originally excluded from the application for development rights purchase. This restriction remains in effect even if the property is sold or transferred. Section 26-18 of the Ordinance provides a limited opportunity for a land owner to terminate the easement if strict criteria are met.

Why should Farmland in Fayette County be preserved?

- ☐ Fayette County is ranked the #2 county in Kentucky in terms of cash farm receipts.
- ☐ Fayette County farmers sold approximately \$354,000,000 of agricultural products in 2005.
- ☐ Protecting farmland makes good economic sense because farmland contributes more in tax revenues than it demands in public services.
- ☐ An increase in the number of households in Fayette County and a desire to have larger lots in rural areas have accelerated the conversion of farmland to non-agricultural uses.
- ☐ Between 1992 and 1997, Fayette County lost approximately 11,231 acres of farmland.
- ☐ Fayette County's scenic vistas and productive farms are the impetus for the local \$1.6 billion dollar tourism industry in 2007, which provided 23,000 tourism related jobs.
- ☐ It enables Lexington, Kentucky to remain *the Horse Capitol of the World* and retains our unique international recognition as the *Bluegrass State*.
- ☐ Well managed farmland protects our soil and water quality. The program will provide environmental benefits by protecting wildlife habitat and air quality.

Selling Your Development Rights

A Unique Way to Invest in the Future of Your Farm

THE FAYETTE COUNTY PDR PROGRAM IS CURRENTLY PROTECTING OVER 22,589 ACRES OF FARMLAND

This brochure describes how the Fayette County Purchase of Development Rights (PDR) Program works and how the program can help you plan for the future of your farm.

For further information, please contact:

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What is the Fayette County Purchase of Development Rights Program?

The Lexington Fayette Urban County Government has authorized the Rural Land Management Board to protect valuable farmland from future development by purchasing development rights. PDR is a voluntary program that enables property owners to sell their development rights to the Board, while holding fee simple title to the land and continuing to farm. If your property is selected, the Rural Land Board will pay you for that portion of the value of your property which represents the right to develop the property. After selling the development rights, the land is restricted to agricultural uses and cannot be developed in the future. The legal mechanism used to restrict development is a conservation easement.

What are Development Rights?

Development rights represent the right of a land owner to develop property to the extent allowed under law. All parcels of property have a variety of rights associated with them. For example, the ownership of a parcel may include timber rights, easements for utilities or access, or the right to develop the land. Rights such as timber rights, easements and development rights may be donated or sold off to other parties. In the case of purchasing development rights, the Rural Land Board will be buying the right to develop the property to keep the land from being developed and to permanently preserve it for future agricultural use. The landowner would retain all other rights to the property. The land may be farmed, rented, sold or passed on to heirs and any agricultural buildings needed may still be built on the land. The Rural Land Board does not acquire your development rights in order to develop your land and does not open your land to public access for hunting, fishing or other uses.

Where will the Money Come from to buy the Development Rights?

The Lexington Fayette Urban County Government has publicly committed between \$2-2.4 million annually to the Program. In addition, the Program has received over \$15.45 million in local and state grant matching funds and \$13,985,980.00 in federal grant matching funds to date.

Why Would a Farmer Want to Participate in the PDR Program?

- ☐ The PDR program offers farmers an effective technique to preserve their land for farming and to protect against encroachment of non-farm development.
- ☐ PDR funds may help farmers meet financial needs, pay off debts, expand, buy additional land, invest in new crops or purchase needed equipment.
- ☐ The sale of development rights may help facilitate transfer of the farm to the next generation.
- ☐ PDR funds can help farmers fund their retirement.

What are the Advantages to Land Owners When they Sell their Development Rights?

There are several advantages that occur when you sell your development rights.

- ☐ You will receive a cash payment for your development rights.
- ☐ You retain the ownership of the land and can continue to farm the land.
- ☐ Selling your development rights may help your heirs retain the family farm.
- ☐ Your farmland is preserved for future generations of farmers.

How will Lands be Selected for Development Rights Purchase?

Interested land owners complete and send an application form to the Rural Land Management Board. The applications will be reviewed by the Rural Land Management staff and scored against selection criteria found in the PDR Ordinance 4-2000.

What Farmland is Eligible?

Any farmland in the Rural Service Area is eligible for consideration for development rights purchase, provided that the applicant must have good, marketable, fee simple title to the land, the easement parcel must be located within either the Core Agricultural Rural Land or the Natural Areas Categories and the parcel must be at least 20 acres in size and have had at least 1 development right on August 31, 1998. Section 26-10 of the PDR Ordinance establishes criteria to be used in the selection of property for purchase. The highest priority will be given to:

- ☐ Productive farmland with the best soils.
- ☐ Farmland that has been actively farmed.
- ☐ Farms where the owner has demonstrated a long term commitment to farming through on farm investment.
- ☐ Farmland that complements other preservation efforts by creating a critical mass of protected farmland.
- ☐ Farmland that has environmentally sensitive areas, historic or scenic qualities.
- ☐ Farmland that is located in designated focus areas or rural greenways.
- ☐ Properties will be awarded points (total possible amount is 141) based on agricultural characteristics, environmental factors and urban considerations.